

## REMARKS

Applicant is filing this Response in reply to the Official Action of August 10, 2007. Applicant believes that this Response is fully responsive to the Official Action for at least the reasons set forth herein.

Applicant would like to thank the Examiner for indicating that Claims 1-16, 18 and 19 are allowed.

In the Official Action, Claims 26 and 27 stand rejected under 35 U.S.C. § 103 (a) as being unpatentable over Tani, U.S. Patent Pub. 2004/0094630, in view of Young et al., U.S. Patent No. 3,646,323 (hereinafter "Young").

Applicant respectfully disagrees with the rejection and traverses with at least the following analysis.

Claim 26 recites, *inter alia*, that when the tape no longer travels through the first and second pinch roller indicating that the component reel has been depleted, the first and second pinch rollers contact one another, thereby closing the electrical circuit and a transmitter responsive to the electrical circuit for transmitting a signal when the electrical circuit is closed. Claim 27 recites similar features and also recites the step of detecting when the electrical circuit is closed.

Applicant submits that the cited references, whether taken alone or in any combination thereof, fail to teach each and every feature of the claims.

Applicant notes that the Examiner admits that Tani fails to teach these limitations; however, asserts that Young cures the deficiencies. Applicant submits that Young does not teach or suggest the missing limitations.

Young teaches a pinch roller for holding a magnetic card against respective feed rollers and another pinch roller for guiding the tape. Young describes that pinch rollers 35 and 36 are provided to cooperate with rollers 18 and 20 to effect feeding of cards through the processor.

The rollers are not used for tracking the location of the card. Rather, Young teaches that separate and independent switches are used. The reference describes three switches 49-51. The switches are closed when no card is in the guideway. As the leading edge of the card **engages the switch-actuating arm 149**, switch 49 is opened. The card will be advanced through the guideway. Prior to reaching the head, the leading edge of the card will open switch 51 and just after passing the head, the card will open switch 50. The pinch rollers do not control the switches.

Additionally, Applicant respectfully disagrees with the Examiner's statement that Young teaches that the displacement of the pinch rollers would turn the switch. Applicant submits that the reference does not support the Examiner's position. In fact, pinch roller 35 is not located near switches 50 and 51. Furthermore, the pinch roller 35 does not appear to be electrically connected thereto. Switch 49 is engaged or activated by the switch-actuating arm 149 and not pinch roller 36. Additionally, the states of the switches indicate the position of the card. In contrast, in the claimed invention, the state of the pinch rollers, i.e., contact, indicates that the tape is out. Clearly, the reference does not teach the claimed structure.

Tellingly, in Young, the pinch rollers are not capable of performing the claimed contact with each other. Figure 4 (in Young) illustrates the location of the pinch rollers. The pinch rollers are not arranged in a position such that they can contact each other when a reel is depleted. The pinch rollers are solely used as guides to move the card. Furthermore, there is no motivation to

modify Young to provide the claimed configuration for the pinch rollers. The pinch rollers in Young are not used to determine or detect a location of the card.

Additionally, the pinch rollers in Young are not arranged in an electrical circuit.

Accordingly, Applicant submits that Tani taken in any hypothetical combination with Young, fails to teach, suggest or render obvious each and every feature of the claims; therefore, Claims 26 and 27 are patentable over the cited references.

Based upon the forgoing, Applicant respectfully requests that the Examiner withdraw the rejections of Claims 26-27 pursuant to 35 U.S.C. § 103 (a).

In view of the above, it is respectfully submitted that this application is in condition for allowance. Accordingly, it is respectfully requested that this application be allowed and a Notice of Allowance issued. If the Examiner believes that a telephone conference with Applicant's attorneys would be advantageous to the disposition of this case, the Examiner is requested to telephone the undersigned.

Respectfully submitted,



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